

THOMPSON & KNIGHT LLP
Ira L. Herman
919 Third Avenue, 39th Floor
New York, NY 10022-3915
Tel: (212) 751-3001
Fax: (212) 751-3113
ira.herman@TKlaw.com

Hearing Date & Time: March 18, 2010 at 10:00 a.m. (ET)
Response Date & Time: March 12, 2010 at 4:00 p.m. (ET)
(Extended by Agreement)

Attorneys for Victory Packaging L.P.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

)
)
)
In re:
)
DPH HOLDINGS CORP., et al.
)
Reorganized Debtors.
)
)
)

Chapter 11
Case No. 05-44481 (RDD)
Jointly Administered

**RESPONSE OF VICTORY PACKAGING L.P. TO
REORGANIZED DEBTORS' FORTY-FOURTH OMNIBUS CLAIMS OBJECTION**

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

Victory Packaging L.P. ("Victory"), as and for its response to the Reorganized Debtors' Forty-Fourth Omnibus Objection Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 to (I) Modify and Allow (A) Certain Modified and Allowed Claims, (B) A Partially Satisfied Claim, and (C) Certain Partially Satisfied Scheduled Liabilities, (II) Disallow and Expunge (A) Certain Fully Satisfied Scheduled Liabilities, (B) Certain MDL-Related Claims, (C) Certain Union Claims, (D) Certain Personal Injury Claims, and (E) A Duplicate Claim, (III) Object to Certain (A) Preference-Related Claims and (B) Preference-Related Scheduled Liabilities, and

(IV) Modify Certain SERP-Related Scheduled Liabilities (the “Objection”), respectfully shows the Court as follows:

Background

1. Victory timely filed its proof of claim, which was assigned claim no. 11640 (the “Proof of Claim”). The Proof of Claim asserts an unsecured claim in the amount of \$10,208,032.27 (the “Claim”).

2. Invoices and other documents evidencing and setting forth the calculation of the component parts of this claim are not attached, however, they are available upon request and previously have been provided to the Debtors.

3. Among other things, Victory delivered goods to the Debtor at the Debtor’s request and provided certain services to the Debtor, all pursuant to a written Packaging Commodity Management Agreement, dated as of December 19, 2003, as amended by that certain Settlement Agreement, (Revision 1, dated September 14, 2005) (collectively, the “Agreement”). True copies of each of the agreements have been supplied to the Debtors.

4. The total amount of the Claim is \$10,208,032.00,¹ which can be broken down as follows:

- a. goods sold and delivered - \$3,423,435.18;
- b. inventory storage fee - \$39,937.16;
- c. aged inventory invoices prior to October 8, 2005 - \$430,368.93;
- d. aged inventory purchased prior to October 8, 2005, but aged after October 8, 2005- \$627,989; and
- e. cost savings - \$5,686,302.00.

¹ There may be various stipulations affecting the Claim. We have only included information from the filed Proof of Claim in this Response.

5. In the Objection, the Reorganized Debtors assert that the Claim is a "Preference Related Claim" potentially subject to disallowance pursuant to 11 U.S.C. § 502(d). The Reorganized Debtors seek (a) to object to such Claim pending the conclusion of the Avoidance Action related to the Claim, and (b) entry of an order preserving the Reorganized Debtors' objection to the Claim on § 502(d) grounds.

Reservation of Rights

6. Victory expressly reserves all of its rights, remedies, defenses and counterclaims in any Avoidance Action (as defined in the Objection). Victory also reserves the right to amend or supplement this Response.

Conclusion

WHEREFORE, Victory respectfully requests that the Court enter an Order consistent with the foregoing and granting such other and further relief as this Court deems just and proper.

Dated: New York, New York
March 12, 2010

Respectfully submitted,

THOMPSON & KNIGHT LLP

By: /s/ Ira L. Herman
Ira L. Herman
919 Third Avenue
New York, NY 10022
Tel: (212) 751-3001
Fax: (212) 751-3113
ira.herman@TKlaw.com

Attorneys for Victory Packaging L.P.

CERTIFICATE OF SERVICE

On March 12, 2010, I caused the service of a true and correct copy of the *Response of Victory Packaging L.P. to Reorganized Debtors' Forty-Fourth Omnibus Claims Objection* upon those parties listed below via facsimile and overnight mail as indicated.

/s/ Ira L. Herman

Ira L. Herman

Honorable Robert D. Drain
United States Bankruptcy Judge
United States Bankruptcy Court for the
Southern District of New York
300 Quarropas Street
Courtroom 118
White Plains, New York 10601-4140
By Federal Express

DPH Holdings Corp.
5725 Delphi Drive
Troy, Michigan 48098
Attn: President
By Federal Express

Skadden, Arps, Slate, Meagher & Flom LLP
155 North Wacker Drive
Chicago, Illinois 60606
Attn: John Wm. Butler, Jr., Esq.
John K. Lyons, Esq.
Joseph N. Wharton, Esq.
By Facsimile: (312) 407-0411